

TITLE VII

DISCOVERY

RULE 70. GENERAL PROVISIONS

(a) General: (1) *Methods and Limitations of Discovery:* In conformity with these Rules, a party may obtain discovery by written interrogatories (Rule 71), by production of documents or things (Rules 72 and 73), by depositions upon consent of the parties (Rule 74), by depositions without consent of the parties in certain cases (Rule 75), or by depositions of expert witnesses (Rule 76). However, the Court expects the parties to attempt to attain the objectives of discovery through informal consultation or communication before utilizing the discovery procedures provided in these Rules. Discovery is not available under these Rules through depositions except to the limited extent provided in Rules 74, 75, and 76. See Rules 91(a) and 100 regarding relationship of discovery to stipulations.

¹(2) *Time for Discovery:* Discovery shall not be commenced, without leave of Court, before the expiration of 30 days after joinder of issue (see Rule 38). Discovery shall be completed and any motion to compel such discovery shall be filed, unless otherwise authorized by the Court, no later than 45 days prior to the date set for call of the case from a trial calendar. Discovery by a deposition under Rules 75 and 76 may not be commenced before a notice of trial has been issued or the case has been assigned to a Judge or Special Trial Judge and any motion to compel such discovery shall be filed within the time provided by the preceding sentence. See Rules 75(a) and 76(c). Discovery of matters which are relevant only to the issue of a party's entitlement to reasonable litigation or administrative costs shall not be commenced, without leave of Court, before a motion for reasonable litigation or administrative costs has been noticed for a hearing, and discovery shall be completed and any motion to compel such discovery shall be filed, unless otherwise authorized by the Court, no later than 45 days prior to the date set for hearing.

(3) *Cases Consolidated for Trial:* With respect to a common matter in cases consolidated for trial, discovery may be had by any party to such a case to the extent provided by these Rules, and, for that purpose, the reference to a "party" in this Title VII, in Title VIII, or in Title X, shall mean any party to any of the consolidated cases involving such common matter.

(b) Scope of Discovery: (1) The information or response sought through discovery may concern any matter not privileged and which is relevant to the subject matter involved in the pending case. It is not ground for objection that the information or response sought will be inadmissible at the trial, if that information or response appears reasonably calculated to lead to discovery of admissible evidence, regardless of the burden of proof involved. If the information or response sought is otherwise proper, it is not objectionable merely because the information or response involves an opinion or contention that relates to fact or to the application of law to fact. But the Court may order that the information or response sought need not be furnished or made until some designated time or a particular stage has been reached in the case or until a specified step has been taken by a party.

(2) The frequency or extent of use of the discovery methods set forth in paragraph (a) shall be limited by the Court if it determines that: (A) the discovery sought is unreasonably cumulative or

¹The amendments are effective as of August 1, 1998.

duplicative, or is obtainable from some other source that is more convenient, less burdensome, or less expensive; (B) the party seeking discovery has had ample opportunity by discovery in the action to obtain the information sought; or (C) the discovery is unduly burdensome or expensive, taking into account the needs of the case, the amount in controversy, limitations on the parties' resources, and the importance of the issues at stake in the litigation. The Court may act upon its own initiative after reasonable notice or pursuant to a motion under Rule 103.

(c) Party's Statements: Upon request to the other party and without any showing except the assertion in writing that the requestor lacks and has no convenient means of obtaining a copy of a statement made by the requestor, a party shall be entitled to obtain a copy of any such statement which has a bearing on the subject matter of the case and is in the possession or control of another party to the case.

(d) Use in Case: The answers to interrogatories, things produced in response to a request, or other information or responses obtained under Rules 71, 72, 73, 74, 75, and 76, may be used at trial or in any proceeding in the case prior or subsequent to trial to the extent permitted by the rules of evidence. Such answers or information or responses will not be considered as evidence until offered and received as evidence. No objections to interrogatories or the answers thereto, or to a request to produce or the response thereto, will be considered unless made within the time prescribed, except that the objection that an interrogatory or answer would be inadmissible at trial is preserved even though not made prior to trial.

(e) Signing of Discovery Requests, Responses, and Objections: (1) Every request for discovery or response or objection thereto made by a party represented by counsel shall be signed by at least one counsel of record. A party who is not represented by counsel shall sign the request, response, or objection. The signature shall conform to the requirements of Rule 23(a)(3). The signature of counsel or a party constitutes a certification that the signer has read the request, response, or objection, and that to the best of the signer's knowledge, information, and belief formed after a reasonable inquiry, it is (A) consistent with these Rules and warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law, (B) not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation, and (C) not unreasonable or unduly burdensome or expensive, given the needs of the case, the discovery already had in the case, the amount in controversy, and the importance of the issues at stake in the litigation. If a request, response, or objection is not signed, it shall be stricken, unless it is signed promptly after the omission is called to the attention of the party making the request, response, or objection, and a party shall not be obligated to take any action with respect to it until it is signed.

(2) If a certification is made in violation of this Rule, then the Court upon motion or upon its own initiative, may impose upon the person who made the certification, the party on whose behalf the request, response, or objection is made, or both, an appropriate sanction, which may include an order to pay the amount of the reasonable expenses incurred because of the violation, including reasonable counsel's fees.

(f) Other Applicable Rules: For Rules concerned with the frequency and timing of discovery in relation to other procedures, supplementation of answers, protective orders, effect of evasive or incomplete answers or responses, and sanctions and enforcement action, see Title X.

RULE 71. INTERROGATORIES

(a) Availability: Any party may, without leave of Court, serve upon any other party written interrogatories to be answered by the party served or, if the party served is a public or private corporation or a partnership or association or governmental agency, by an officer or agent who shall furnish such information as is available to the party.

(b) Answers: All answers shall be made in good faith and as completely as the answering party's information shall permit. However, the answering party is required to make reasonable inquiry and ascertain readily obtainable information. An answering party may not give lack of information or knowledge as an answer or as a reason for failure to answer, unless such party states that such party has made reasonable inquiry and that information known or readily obtainable by such party is insufficient to enable such party to answer the substance of the interrogatory.

¹**(c) Procedure:** Each interrogatory shall be answered separately and fully under oath, unless it is objected to, in which event the reasons for the objection shall be stated in lieu of the answer. The answers are to be signed by the person making them and the objections shall be signed by the party or the party's counsel. The party on whom the interrogatories have been served shall serve a copy of the answers, and objections if any, upon the propounding party within 30 days after service of the interrogatories. The Court may allow a shorter or longer time. The burden shall be on the party submitting the interrogatories to move for an order with respect to any objection or other failure to answer an interrogatory, and in that connection the moving party shall annex the interrogatories to the motion, with proof of service on the other party, together with the answers and objections, if any. Prior to a motion for such an order, neither the interrogatories nor the response shall be filed with the Court.

(d) Experts: (1) By means of written interrogatories in conformity with this Rule, a party may require any other party (A) to identify each person whom the other party expects to call as an expert witness at the trial of the case, giving the witness' name, address, vocation or occupation, and a statement of the witness' qualifications, and (B) to state the subject matter and the substance of the facts and opinions to which the expert is expected to testify, and give a summary of the grounds for each such opinion, or, in lieu of such statement to furnish a copy of a report of such expert presenting the foregoing information.

(2) For provisions regarding the submission and exchange of expert witness reports, see Rule 143(f). That Rule shall not serve to extend the period of time under paragraph (c) of this Rule within which a party must answer any interrogatory directed at discovering (A) the identity and qualifications of each person whom such party expects to call as an expert witness at the trial of the case and (B) the subject matter with respect to which the expert is expected to testify.

(e) Option to Produce Business Records: Where the answer to an interrogatory may be derived or ascertained from the business records of the party upon whom the interrogatory has been served, or from an examination, audit, or inspection of such business records, or from a compilation, abstract, or summary based thereon, and the burden of deriving or ascertaining the answer is substantially the same for the party serving the interrogatory as for the party served, it is sufficient answer to such interrogatory to specify the records from which the answer may be derived or ascertained and to afford to the party serving the interrogatory reasonable opportunity to examine,

¹The amendments are effective as of August 1, 1998.

audit, or inspect such records and to make copies, compilations, abstracts, or summaries.

RULE 72. PRODUCTION OF DOCUMENTS AND THINGS

(a) Scope: Any party may, without leave of Court, serve on any other party a request to:

(1) Produce and permit the party making the request, or someone acting on such party's behalf, to inspect and copy any designated documents (including writings, drawings, graphs, charts, photographs, phono-records, and other data compilations from which information can be obtained, translated, if necessary, by the responding party through detection devices into reasonably usable form), or to inspect and copy, test, or sample any tangible thing, to the extent that any of the foregoing items are in the possession, custody, or control of the party on whom the request is served; or

(2) Permit entry upon designated land or other property in the possession or control of the party upon whom the request is served for the purpose of inspection and measuring, surveying, photographing, testing, or sampling the property or any designated object or operation thereon.

¹**(b) Procedure:** The request shall set forth the items to be inspected, either by individual item or category, and describe each item and category with reasonable particularity. It shall specify a reasonable time, place, and manner of making the inspection and performing the related acts. The party upon whom the request is served shall serve a written response within 30 days after service of the request. The Court may allow a shorter or longer time. The response shall state, with respect to each item or category, that inspection and related activities will be permitted as requested, unless the request is objected to in whole or in part, in which event the reasons for objection shall be stated. If objection is made to part of an item or category, then that part shall be specified. To obtain a ruling on an objection by the responding party, on a failure to respond, or on a failure to produce or permit inspection, the requesting party shall file an appropriate motion with the Court and shall annex thereto the request, with proof of service on the other party, together with the response and objections if any. Prior to a motion for such a ruling, neither the request nor the response shall be filed with the Court.

(c) Foreign Petitioners: For production of records by foreign petitioners, see Code Section 7456(b).

¹ The amendment is effective as of August 1, 1998.

RULE 73. EXAMINATION BY TRANSFEREES

(a) General: Upon application to the Court and subject to these Rules, a transferee of property of a taxpayer shall be entitled to examine before trial the books, papers, documents, correspondence, and other evidence of the taxpayer or of a preceding transferee of the taxpayer's property, but only if the transferee making the application is a petitioner seeking redetermination of such transferee's liability in respect of the taxpayer's tax liability (including interest, additional amounts, and additions provided by law). Such books, papers, documents, correspondence, and other evidence may be made available to the extent that the same shall be within the United States, will not result in undue hardship to the taxpayer or preceding transferee, and in the opinion of the Court is necessary in order to enable the transferee to ascertain the liability of the taxpayer or preceding transferee.

(b) Procedure: A petitioner desiring an examination permitted under paragraph (a) shall file an application with the Court, showing that such petitioner is entitled to such an examination, describing the documents and other materials sought to be examined, giving the names and addresses of the persons to produce the same, and stating a reasonable time and place where the examination is to be made. If the Court shall determine that the applicable requirements are satisfied, then it shall issue a subpoena, signed by a Judge, directed to the appropriate person and ordering the production at a designated time and place of the documents and other materials involved. If the person to whom the subpoena is directed shall object thereto or to the production involved, then such person shall file the objections and the reasons therefor in writing with the Court, and serve a copy thereof upon the applicant, within 10 days after service of the subpoena or on or before such earlier time as may be specified in the subpoena for compliance. To obtain a ruling on such objections, the applicant for the subpoena shall file an appropriate motion with the Court. In all respects not inconsistent with the provisions of this Rule, the provisions of Rule 72(b) shall apply where appropriate.

(c) Scope of Examination: The scope of the examination authorized under this Rule shall be as broad as is authorized under Rule 72(a), including, for example, the copying of such documents and materials.

RULE 74. DEPOSITIONS FOR DISCOVERY PURPOSES-- UPON CONSENT OF PARTIES

¹(a) **Depositions in Pending Cases:** Upon consent of all the parties to a case, and within the time limits provided in Rule 70(a)(2), a deposition for discovery purposes may be taken of either a party or a nonparty witness. Such consent shall be set forth in a stipulation filed in duplicate with the Court, which shall contain the information required in Rule 81(d) and which otherwise shall be subject to the procedure provided in Rule 81(d). Unless the Court shall determine otherwise for good cause shown, the taking of such a deposition will not be regarded as sufficient ground for granting a continuance from a date or place of trial theretofore set.

(b) **Notice to Nonparty Witness:** A notice of deposition shall be served on a nonparty witness. The notice shall state that the deposition is to be taken under Rule 74 and shall set forth the name of the party or parties seeking the deposition, the time and place proposed for the deposition, and the name of the officer before whom the deposition is to be taken. If the deposition is to be taken on written questions, then a copy of the written questions shall be annexed to the notice. With respect to the deposition of an organization described in Rule 81(c), the notice shall also set forth the information required under that Rule, and the organization shall make the designation authorized by that Rule.

(c) **Objection by Nonparty Witness:** Within 15 days after service of the notice of deposition, a nonparty witness shall serve on the parties seeking the deposition any objections to the deposition. The burden shall be upon a party seeking the deposition to move for an order with respect to such objection or other failure of the nonparty witness, and such party shall annex to any such motion the notice of deposition with proof of service thereof, together with a copy of the response and objections, if any.

(d) **Transcript:** A transcript shall be made of every deposition taken under this Rule, but the transcript and exhibits introduced in connection with the deposition shall not be filed with the Court. See Rule 81(h)(3).

(e) **Depositions Upon Written Questions:** Depositions under this Rule may be taken upon written questions rather than upon oral examination. The use of such written questions is not favored, and the deposition should not be taken in this manner in the absence of a special reason. See Rule 84(a). There shall be an opportunity for cross-questions and redirect questions to the same extent and within the same time periods as provided in Rule 84(b) (starting with service of the notice of deposition rather than service of an application). With respect to taking the deposition, the procedure of Rule 84(c) shall apply.

¹(f) **Other Applicable Rules:** Depositions for discovery purposes under this Rule shall be governed by the provisions of the following Rules with respect to the matters to which they apply: Rule 81(e) (persons before whom deposition taken), 81(f) (taking of deposition), 81(g) (expenses), 81(h) (execution, form and return of deposition), 81(i) (use of deposition); and Rule 85(b), (c), (d), and (e) (objections and irregularities). For Rules concerned with the timing and frequency of depositions, supplementation of answers, protective orders, effect of evasive or incomplete answers or responses, and sanctions and enforcement action, see Title X.

¹ The amendment is effective as of August 1, 1998.

**RULE 75. DEPOSITIONS FOR DISCOVERY
PURPOSES---WITHOUT CONSENT OF PARTIES
IN CERTAIN CASES**

(a) When Depositions May Be Taken: After a notice of trial has been issued or after a case has been assigned to a Judge or Special Trial Judge of the Court, and within the time for completion of discovery under Rule 70(a)(2), any party may, without leave of Court, take a deposition for discovery purposes of a nonparty witness in the circumstances described in paragraph (b) of this Rule. Unless the Court shall determine otherwise for good cause shown, the taking of such a deposition will not be regarded as sufficient ground for granting a continuance from a date or place of trial theretofore set.

(b) Availability: The taking of a deposition of a nonparty witness under this Rule is an extraordinary method of discovery and may be used only where a nonparty witness can give testimony or possesses documents or things which are discoverable within the meaning of Rule 70(b) and where such testimony, documents, or things practicably cannot be obtained through informal consultation or communication (Rule 70(a)(1)) or by a deposition taken with consent of the parties (Rule 74). If such requirements are satisfied, then a deposition may be taken under this Rule, for example, where a party is a member of a partnership and an issue in the case involves an adjustment with respect to such partnership, or a party is a shareholder of an electing small business corporation (as described in Code Section 1371(b) prior to the enactment of the Subchapter S Revision Act of 1982), and an issue in the case involves an adjustment with respect to such corporation. See Title XXIV, relating to partnership actions, brought under provisions first enacted by the Tax Equity and Fiscal Responsibility Act of 1982.

(c) Notice: A party desiring to take a deposition under this Rule shall give notice in writing to every other party to the case and to the nonparty witness to be deposed. The notice shall state that the deposition is to be taken under Rule 75 and shall set forth the name of the party seeking the deposition, the name and address of the person to be deposed, the time and place proposed for the deposition, and the officer before whom the deposition is to be taken. If the deposition is to be taken on written questions, a copy of the questions shall be annexed to the notice.

(d) Objections: Within 15 days after service of the notice of deposition, a party or a nonparty witness shall serve on the party seeking the deposition any objections to the deposition. The burden shall be upon the party seeking the deposition to move for an order with respect to any such objections or any failure of the nonparty witness, and such party shall annex to any such motion the notice of deposition with proof of service thereof, together with a copy of any responses and objections. Prior to a motion for such an order, neither the notice nor the responses shall be filed with the Court.

¹(e) Other Applicable Rules: Depositions for discovery purposes under this Rule shall be governed by the provisions of the following Rules with respect to the matters to which they apply: Rule 74(d) (transcript), and 74(e) (depositions upon written questions); Rule 81(c) (designation of person to testify), 81(e) (person before whom deposition taken), 81(f) (taking of deposition), 81(g) (expenses), 81(h) (execution, form, and return of deposition), and 81(i) (use of deposition); and Rule 85(a), (b), (c), (d), and (e) (objections and irregularities). For Rules concerned with the timing and

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frequency of depositions, supplementation of answers, protective orders, effect of evasive or incomplete answers or responses, and sanctions and enforcement action, see Title X.

RULE 76. DEPOSITION OF EXPERT WITNESSES

(a) Availability: (1) *Depositions Upon Consent of Parties:* The deposition of an expert witness upon consent of all the parties to a case shall be governed by Rule 74 rather than this Rule, except that the provisions of paragraph (e) of this Rule shall apply to such a deposition.

(2) *Other Depositions:* The taking of a deposition of an expert witness without consent of all the parties to a case is an extraordinary method of discovery. Such a deposition may be taken only pursuant to an order of the Court.

(b) Scope of Deposition: The deposition of an expert witness under paragraph (a)(2) of this Rule shall be limited to (1) the knowledge, skill, experience, training, or education that qualifies the witness to testify as an expert in respect of the issue or issues in dispute, (2) the opinion of the witness in respect of which the witness' expert testimony is relevant to the issue or issues in dispute, (3) the facts or data that underlie that opinion, and (4) the witness' analysis, showing how the witness proceeded from the facts or data to draw the conclusion that represents the opinion of the witness.

(c) When Deposition May Be Taken: A deposition of an expert witness under paragraph (a)(2) of this Rule may be taken only after a notice of trial has been issued or after a case has been assigned to a Judge or Special Trial Judge of the Court, and within the time for completion of discovery under Rule 70(a)(2). The taking of such a deposition ordinarily will not be regarded as a ground for continuance.

(d) Procedure: (1) *In General:* A party desiring to depose an expert witness under paragraph (a)(2) of this Rule shall file a written motion and shall set forth therein the matters specified in subparagraph (2). The Court shall take such action on the motion as it deems appropriate.

(2) *Content of Motion:* Any motion seeking an order authorizing the deposition of an expert witness under paragraph (a)(2) of this Rule shall set forth the following:

(A) the name and address of the witness to be examined;

(B) a statement describing any books, papers, documents, or tangible things to be produced at the deposition of the witness to be examined;

(C) a statement of issues in controversy to which the expected testimony of the expert witness, or the document or thing, relates, and the reasons for deposing the witness;

(D) the time and place proposed for the deposition;

(E) the officer before whom the deposition is to be taken;

(F) any provision desired with respect to the payment of the costs, expenses, fees, and charges relating to the deposition (see paragraph (g)); and

(G) if the movant proposes to videotape the deposition, then a statement to that effect and the name and address of the videotape operator and the operator's employer. (The videotape operator and the officer before whom the deposition is to be taken may be the same person.)

If the movant proposes to take the deposition of the expert witness on written questions, then the movant shall annex to the motion a copy of the questions to be propounded. The movant shall also show that prior notice of the motion has been given to the expert witness whose deposition is sought and to each other party, or counsel for each other party, and shall state the position of each of these persons with respect to the motion, in accordance with Rule 50(a).

(3) *Disposition of Motion:* Any objection or other response to the motion for order to depose an expert witness under paragraph (a)(2) of this Rule shall be filed with the Court (along with a certificate of service) within 15 days after service of the motion. A hearing on the motion will be held only if directed by the Court. If the Court approves the taking of a deposition, then it will issue

an order which will include in its terms the name of the person to be examined, the time and place of the deposition, and the officer before whom it is to be taken. If the deposition is to be videotaped, then the Court's order will so state.

(e) Use of Deposition for Other Than Discovery Purposes: (1) *Use as Expert Witness Report:* Upon written motion by the proponent of the expert witness and in appropriate cases, the Court may order that the deposition transcript serve as the expert witness report required by Rule 143(f)(1). Unless the Court shall determine otherwise for good cause shown, the taking of a deposition of an expert witness will not serve to extend the date under Rule 143(f)(1) by which a party is required to furnish to each other party and to submit to the Court a copy of all expert witness reports prepared pursuant to that Rule.

(2) *Other Use:* Any other use of a deposition of an expert witness shall be governed by the provisions of Rule 81(i).

(f) Action by the Court Sua Sponte: In the exercise of its discretion the Court may on its own motion order the taking of a deposition of an expert witness and may in its order allocate the cost therefor as it deems appropriate.

(g) Expenses: (1) *In General:* By stipulation among the parties and the expert witness to be deposed, or on order of the Court, provision may be made for any costs, expenses, fees, or charges relating to the deposition. If there is not such a stipulation or order, then the costs, expenses, fees, and charges relating to the deposition shall be borne by the parties as set forth in subparagraph (2).

(2) *Allocation of Costs, Etc.:* The party taking the deposition shall pay the following costs, expenses, fees, and charges:

(A) a reasonable fee for the expert witness, with regard to the usual and customary charge of the witness, for the time spent in preparing for and attending the deposition;

(B) reasonable charges of the expert witness for models, samples, or other like matters that may be required in the deposition of the witness;

(C) such amounts as are allowable under Rule 148(a) for transportation and subsistence for the expert witness;

(D) any charges of the officer presiding at or recording the deposition (other than for copies of the deposition transcript);

(E) any expenses involved in providing a place for the deposition; and

(F) the cost for the original of the deposition transcript as well as for any copies thereof that the party taking the deposition might order.

The other parties and the expert witness shall pay the cost for any copies of the deposition transcript that they might order.

(3) *Failure to Attend:* If the party authorized to take the deposition of the expert witness fails to attend or to proceed therewith, then the Court may order that party to pay the witness such fees, charges, and expenses that the witness would otherwise be entitled to under subparagraph (2) and to pay any other party such expenses, including attorney's fees, that the Court deems reasonable under the circumstances.

(h) Other Applicable Rules: The deposition of an expert witness under this Rule shall be governed by the provisions of the following Rules with respect to the matters to which they apply: Rule 74(d) (transcript) and 74(e) (depositions upon written questions); Rule 81(c) (designation of person to testify), 81(e) (person before whom deposition taken), 81(f) (taking of deposition), 81(h) (execution, form, and return of deposition), and 81(j) (videotape depositions); and Rule 85 (objections, errors, and irregularities). For Rules concerned with the timing and frequency of

depositions, supplementation of answers, protective orders, effect of evasive or incomplete answers or responses, and sanctions and enforcement action, see Title X.